



Consumer Select Insurance
Of America

Surety & Fidelity Bond Instructions

Please find the attached Surety / Fidelity Bond applications. Please have the applications completed, signed and returned along with personal financials of owners and business financials (Balance Sheet / Profit & Loss Statement etc.) or Pro-Forma & Start up account (if new).

Please do not hesitate to contact me with any questions.

NOTE: The bond company will require verification of financials (cash assets or marketable securities) – This can be in the form of recent statements from bank or broker.

We appreciate your business and value the opportunity to be of service to you. We are committed to providing professional, dependable service and will constantly strive to earn your continued confidence.

Sincerely,

Bruce D. Lucas
Consumer Select Insurance of America
blucas@csioa.com
866-320-4274 ext 301
Fax – 863-624-9987

Guidelines for Signing a Form 10-E Easy Application for Bonds

We have examples showing five ways to sign an application.

1. Individual or Sole Proprietorship.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title: John Doe "Indemnitor"
Jane Doe "Indemnitor"
Jane Doe "Indemnitor"

The individual or sole owner and spouse should sign at the bottom of the application before the word "Indemnitor".

NOTE: Personal indemnitors should sign their names before the word "Indemnitor".

2. Partnership.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title: John Doe "Indemnitor"
James Doe "Indemnitor"
Jane Doe "Indemnitor"
Ann Doe, Indemnitor

Each partner and his or her spouse should sign at the bottom of the application before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

NOTE: Personal indemnitors should sign their names before the word "Indemnitor".

3. Corporation.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title: John Doe, President "Indemnitor"
John Doe "Indemnitor"
James Doe "Indemnitor"
Jane Doe "Indemnitor"
Ann Doe, Indemnitor

An officer should first sign on behalf of the corporation (indicating his/her corporate title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other owners should also sign as personal indemnitors before the word "Indemnitor" on each line. In most cases, the owners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

NOTE: Personal indemnitors should sign their names before the word "Indemnitor".

* In most cases, the owners' spouses may also need to sign.

4. Limited Liability Company or Partnership.

Signed this 4th day of September, 2003

Signature & Business/Corporate Title: John Doe, Manager "Indemnitor"
John Doe "Indemnitor"
James Doe "Indemnitor"
Jane Doe "Indemnitor"
Ann Doe, Indemnitor

An authorized manager, member, or partner should first sign on behalf of the Limited Liability Company or Partnership (indicating his/her company/partnership title) and then sign a second time as a personal indemnitor, before the word "Indemnitor". All other members/owners/partners should also sign as personal indemnitors before the word "Indemnitor" on each line. In most cases the members'/owners'/partners' spouses also need to sign. If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

NOTE: Personal indemnitors should sign their names before the word "Indemnitor".

* In most cases, the members'/owners'/partners' spouses may also need to sign.

5. Outside Indemnity (Relatives, Friends).

Signed this 4th day of September, 2003

Signature & Business/Corporate Title: John Doe "Indemnitor"
Jane Doe "Indemnitor"
John Henry "Indemnitor"
Joseph Smith, Indemnitor

When outside indemnity is required, the proposed indemnitors should sign at the bottom of the application below the applicants' signatures before the word "Indemnitor". If additional personal indemnity is required, the individual may sign their name and write the word "Indemnitor" after their name in their own handwriting.

NOTE: Personal indemnitors should sign their names before the word "Indemnitor".

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

CNA SURETY

Application for Title Insurance Settlement Agent

- Individual
 Partnership
 Corporation
 Limited Liability Company
 Limited Liability Partnership

PLEASE PRINT OR TYPE.

Applicant(s) - Individual, partners, or corporate owner(s) who will be performing settlements. Attach additional applications and cross reference if more than three owners. **EACH MUST SIGN AT BOTTOM RIGHT.**

1. Name _____
 Social Security No. _____
 Residence Address _____

% Ownership of Business _____ Single
 Married (spouse must sign at bottom right.)
 Number of years as an attorney _____
Does this applicant own real estate? Yes No

2. Name _____
 Social Security No. _____
 Residence Address _____

% Ownership of Business _____ Single
 Married (spouse must sign at bottom right.)
 Number of years as an attorney _____
Does this applicant own real estate? Yes No

3. Name _____
 Social Security No. _____
 Residence Address _____

% Ownership of Business _____ Single
 Married (spouse must sign at bottom right.)
 Number of years as an attorney _____
Does this applicant own real estate? Yes No

Business or Corporate Name:

Business Address _____

Type of Business	Number of Years in Business
Total number of years experience in title insurance business:	
Amount of Bond: \$	Effective date:

State or governmental entity requiring this bond (and address):

Agent's recommendation/additional comments:

INDEMNITY

The undersigned applicant and indemnitors hereby request Western Surety Company, Universal Surety of America, Surety Bonding Company of America and any affiliated company, their successors or assigns (with such company/companies referred to herein as the "Company") to become their surety. The undersigned hereby certify the truth of all statements in the application, authorize the Company to verify this information at the time of application and as needed, on an ongoing basis and to obtain additional information from any source, including obtaining credit reports at the time of application, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purposes as determined by the Company in its reasonable discretion, and jointly and severally agree:

- (1) To pay premiums, including renewal premiums and any other charges, to the Company or its agents, when due.
- (2) To completely INDEMNIFY the Company from and against any liability, loss, cost, attorneys' fees and expenses whatsoever which the Company shall at any time sustain as surety or by reason of having been surety on this bond or any other bond issued for any applicant and or indemnitor, or for the enforcement of this agreement, or in obtaining a release or evidence of termination under such bonds, regardless of whether such liability, loss, costs, damages, attorneys' fees and expenses are caused, or alleged to be caused, by the negligence of the Company,
- (3) To furnish the Company with satisfactory and conclusive termination evidence that there is no further liability on this bond or any other bond issued for applicant,
- (4) Upon demand by the Company for any reason whatsoever, to deposit current funds with the Company in an amount sufficient to satisfy any claim against the Company by reason of such suretyship,
- (5) That the Company shall have the right to handle or settle any claim or suit in good faith and the Company's decision shall be binding and conclusive on the undersigned. An itemized statement of loss and expense incurred by the Company, shall be prima facie evidence of the fact and extent of the liability of the undersigned to the Company,
- (6) That the Company may decline to become surety on any bond and may cancel or amend any bond without cause and without any liability which might arise therefrom,
- (7) That the Company shall, without notice, have the right to alter the penalty, terms and conditions of any bond issued for undersigned, and this agreement shall apply to any such altered bond. The liability for the undersigned shall not be affected by the failure of the undersigned to sign any bond, nor any claim that other indemnity or security was obtained, nor by the release of any indemnity, nor the return or exchange of any collateral obtained and if any party signing this agreement is not bound for any reason, this agreement will still be binding on each and every other party
- (8) That if a contract or performance bond is issued hereunder, the undersigned hereby assign to the Company any monies now due or hereafter becoming due under the contract, including all deferred payments and retained percentage, supplies, tools, plants, equipment and materials due or used on the contract,
- (9) At the Company's discretion, this indemnity agreement shall be governed in all respects by the laws of the State of South Dakota and the undersigned applicant and indemnitors consent to the jurisdiction of the courts of the State of South Dakota and the United States District Court for the District of South Dakota in all actions or proceedings arising from or relating to this indemnity agreement,
- (10) That this indemnity may be terminated by the undersigned, or any one or more parties so designated, upon written notice sent registered mail to the office of the Company at Sioux Falls, South Dakota 57104, of not less than twenty (20) days. In no event, shall any termination notice operate to modify, bar, discharge, limit, affect or impair the liability of any party hereto, for any bonds, undertakings and obligations executed prior to the date of the Company's receipt and notice of such termination
- (11) In the event of any payment by the Company, to pay the Company interest on such amounts at the highest legal rate from the date such payments are made.

Agency _____
 Address _____
 Street _____
 City _____ State _____ Zip _____
 Agent's Code _____

Signed this _____ day of _____,

 Signature & Business/Corporate Title
 "Indemnitor"
 "Indemnitor"
 "Indemnitor"

NOTE: Personal indemnitors should sign their names before the word "indemnitor".

Check here if this correspondence was previously faxed to CNA Surety.

PHONE (605) 336-0850

FAX (605) 335-0357

CNA SURETY
 P.O. Box 5077 • Sioux Falls, South Dakota 57117-5077
 www.cnasurety.com

TITLE COMPANIES REPRESENTED

	Name	% of Your Total Business	Date of Last Audit
1.	_____	_____	_____
2.	_____	_____	_____

CONTROLS

1.	Are funds deposited in a trust account separate from operating accounts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	Name of Institution where trust account is maintained? _____		
3.	Does one EMPLOYEE (non-owner) do both bookkeeping and disbursement of funds? <i>If yes, please explain (attach separate sheet, if necessary).</i> _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.	How often are the accounts reviewed by a CPA? _____		
5.	Are countersignature procedures used when an EMPLOYEE (non-owner) signs trust account checks? <i>If no, who signs and what are the procedures?</i> _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6.	Does any EMPLOYEE (non-owner) sign checks for operating accounts? <i>If yes, max. amt. authorized \$</i> _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7.	Does any EMPLOYEE (non-owner) who signs checks also approve invoices for payment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8.	Does any EMPLOYEE (non-owner) who reconciles the bank accounts prepare or make deposits or withdrawals? <i>If yes, please explain (include their position and frequency).</i> _____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9.	Do you have segregation of duties so that one EMPLOYEE (non-owner) is not able to control a transaction from origination to reconciliation? <i>If no, please explain on a separate sheet of paper.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10.	Does the firm deposit and disburse funds for closings and settlements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11.	Does the firm have a separate file set up for each closing which includes the closing instructions and documentation of compliance with the instructions including transfer between accounts?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12.	Does the firm maintain separate accounting records of all receipts and disbursements of all settlement, closing or title indemnification funds?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

BACKGROUND INFORMATION

1.	Have you ever been subject to a bankruptcy proceeding or have there been any unsatisfied judgments, suits or liens against you? <i>If yes, please explain on a separate sheet of paper.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2.	Have you or any of your associates ever been the subject of any proceedings resulting in disciplinary action from any agency responsible for regulating financial institutions or lenders? <i>If yes, provide details on a separate sheet of paper.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3.	Have you ever been cancelled or declined for a surety bond? <i>If yes, provide details on a separate sheet of paper.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4.	In what other states are you licensed? _____ If applying for a bond in Virginia, which bond form: a. Title Insurance Settlement Agent <input type="checkbox"/> b. Attorney Settlement Agent (Individual) <input type="checkbox"/> c. Attorney Settlement Agent (Law Firm) <input type="checkbox"/>		
5.	Have you sustained any employee dishonesty losses in the last 6 years? <i>If yes, provide details on a separate sheet of paper.</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

COMPLETE THIS SECTION IF FIDELITY COVERAGE IS DESIRED

Penalty _____	Effective Date _____	
Total number of employees _____	Number of employees handling money _____	All others _____

Completed by _____

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

CNA SURETY

Cancellation Guidelines

To assist in understanding the numerous and diverse rules for bond cancellations, we have developed the following guidelines. There are many exceptions to the rules, so please contact your underwriting office with any specific questions.

1. First year premiums are usually considered fully earned.
2. Bonds that renew with a renewal bond or continuation certificate (in other words they're not continuous in nature) are cancellable upon the return of the original bond, renewal bond or continuation certificate. In the absence of the original renewal document, send written verification from the obligee (state, county, city, etc.) that the bond was not filed or used.
3. Many continuous bonds contain a cancellation clause which allows us to send notice of cancellation or nonrenewal to the obligee. Our notice must comply with the terms of the cancellation clause and conform to any applicable state laws. You can normally determine if there is a cancellation clause by reading the bond form.
4. Some continuous bonds **do not** contain a cancellation clause, so the only way we can cancel them is upon receipt of a letter of release from the obligee. The obligee's letter should state the principal's name, bond number, and the date our liability is considered terminated.
5. Probate Bonds usually require a court order to terminate our liability. Send us a copy of the Final Order of Discharge to cancel this type of bond.
6. Public Official Bonds written to coincide with a term of office require a signed letter of release from an official of the jurisdiction. That official must have the proper authority to release the bond.
7. Many state laws have been enacted in recent years which restrict us from effecting cancellation or nonrenewal except under specified circumstances. Providing us with a reason for cancellation is helpful for determining if we are allowed by law to do so.

Please contact your underwriting office if you would like to have any of these rules explained in more detail or if you have a question about how the above rules affect a specific bond.

P.O. Box 5077
Sioux Falls, SD 57117-5077
1-800-331-6053
Fax 1-605-335-0357

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CNA SURETY

FINANCIAL STATEMENT

Name _____ Social Security # _____ - _____ - _____ Age _____
 Personal Address _____
 Business Name _____
 Business Address _____
 Statement of assets and liabilities as of _____

Check one: Business financial statement Personal financial statement

ASSETS			LIABILITIES		
Cash (List Banks) _____			Accounts Payable _____		
			Taxes Due - Gas _____		
			Taxes Due & Accrued - Other _____		
			Notes Payable to Bank _____		
Stocks - Describe completely on Schedule #1 _____			Notes Payable - Small Business Adm. Loan _____		
Bonds - Describe completely on Schedule #1 _____			Notes Payable to Others - Describe on Schedule #3 _____		
Notes Rec. - Describe completely on Schedule #2 _____			Mortgage on Real Estate _____ A		
Accounts Receivable _____			Mortgage on Real Estate _____ B		
Merchandise or Material in Stock _____			Alimony, Child Support _____		
Real Estate, Homestead _____ A			Other Liabilities - Describe _____		
Real Estate, Investment _____ B					
Furniture and Fixtures _____			TOTAL LIABILITIES _____		
Other Assets - Describe _____			Capital Stock (Paid in) _____		
			NET WORTH OR SURPLUS _____		
TOTAL ASSETS _____			TOTAL Liabilities and Net Worth _____		

Gross Sales - Two years ago _____ Last year _____ Net income - Two years ago _____ Last year _____

Schedule #1 Stocks and Bonds
 List and describe _____

Schedule #2 Notes Receivable
 1. From whom? _____
 2. When due? _____
 3. Secured? _____

Schedule #3 Notes Payable
 1. Owed to whom? _____
 2. For what purpose? _____
 3. When due? _____
 4. Secured? _____

In whose name is the title of real estate? _____
 Have you pledged any of the above assets as collateral for loans? _____
 Are you surety or endorser upon any bond, note or other obligation, not included in your liabilities shown above? _____
 If so, give names and amounts _____

The undersigned hereby certifies that the lists of assets and liabilities given herein is a true and correct statement of the financial condition on the date given above and that all statements made are correct, that the undersigned has never caused his surety loss, and that the depositories are hereby authorized to confirm any inquiry made by WESTERN SURETY COMPANY or its representatives as to any statement made herein relative to moneys on deposit, or loans made. The undersigned authorizes WESTERN SURETY COMPANY to verify this information and to obtain additional information from any source.

Dated this _____ day of _____, _____

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CNA SURETY

FINANCIAL STATEMENT

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 Personal Address _____
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 Statement of assets and liabilities as of _____, _____

Check one: Business financial statement Personal financial statement

ASSETS			LIABILITIES		
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Notes Rec. - Describe completely on Schedule #2 _____			Mortgage on Real Estate _____ A		
Accounts Receivable _____			Mortgage on Real Estate _____ B		
Merchandise or Material in Stock _____			Alimony, Child Support _____		
Real Estate, Homestead _____ A			Other Liabilities - Describe _____		
Real Estate, Investment _____ B					
Furniture and Fixtures _____			TOTAL LIABILITIES _____		
Other Assets - Describe _____			Capital Stock (Paid in) _____		
TOTAL ASSETS _____			NET WORTH OR SURPLUS _____		
			TOTAL Liabilities and Net Worth _____		

Gross Sales - Two years ago _____ Last year _____ Net Income - Two years ago _____ Last year _____

Schedule #1 Stocks and Bonds
 List and describe _____

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 1. From whom? _____
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Dated this _____ day of _____, _____

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